

DIRECTORATE OF INTELLIGENCE

# Central Intelligence Bulletin

Secret

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26 December 1968

No. 0349/68 26 December 1968

## Central Intelligence Bulletin

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Vietnam: The usual rash of minor enemy violations occurred during the Christmas Day truce, but no significant offensive action was undertaken by the Communists.

Enemy units were expected to use the lull to advance preparations for future combat operations, particularly by the movement of supplies and men through the Laos corridor, and by the forward positioning of units in the III Corps area.

Preliminary reporting on the meeting of 25 December between US and Viet Cong officials regarding the release of American prisoners tends to confirm that the Communists are mainly bent on playing out a propaganda gimmick which they hope will serve to bolster the image of their political arm, the National Liberation Front. There was no evidence that the US prisoners were taken to the scene of the meeting. The Communists apparently viewed it primarily as a "negotiating" session which would lead to further face-to-face meetings with US officials.

EURATOM: Council action last week confirmed the growing disagreement between France and the other five partners over the future usefulness of the organization.

For the first time, West Germany, Italy, and the Benelux members agreed to set up a major research and development program without France's participation, despite French blocking tactics at the meeting. A joint program including the French will also be implemented during the next fiscal year, but the "supplementary" undertaking of the "Five" will be funded at a slightly higher level.

The idea of one EURATOM member excluding itself from a cooperative project generated such controversy in the Council meeting that the decision to launch the new program was taken only after the "Five" had caucused separately to discuss its various implications. Some of those who finally accepted the formula fear it will affect the pattern of cooperation in future community technological undertakings as well as the working of the EEC.

The split with France comes just as the community had appeared to break the long-standing deadlock in the planning for a more general technological undertaking. The US mission observes that the success of this undertaking will hinge in considerable part on whether EURATOM's Joint Research Center can be kept intact and given an effective role in it.

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Japan: The planned visit next summer of four Japanese Maritime Self-Defense Force ships to ports in Southeast Asia and the Indian Ocean points up Tokyo's expanding economic and maritime interests in these areas.

The Japanese itinerary calls for visits to some 14 countries and territories, including Indonesia, the Philippines, Malaysia, Australia, and India. The cruise, officially described as a training and goodwill mission, will mark the first time Japanese naval ships have shown the flag in Southeast Asia and the Indian Ocean since World War II.

Japan has a modest but growing trade and investment stake in Southeast Asia. Its most active current interest in the region stems, however, from its heavy dependence on the water route through the Straits of Malacca to the Persian Gulf. Tankers carrying more than 90 percent of Japan's oil imports transit this area.

In order to improve navigation, Japanese maritime authorities are seeking agreement from the United Kingdom, Indonesia, Singapore, and Malaysia to conduct a joint, full-scale survey of the straits. Japanese shipping and petroleum interests have become increasingly concerned over hazards to navigation in the straits, particularly with increased maritime traffic and ever larger supertankers.

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NOTES
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Communist China - Tanzania: The Chinese appar- ently are continuing to make deliveries under a 1966 military aid agreement.
During the past two years Peking has given
Dar es Salaam four patrol boats and has offered to build dockyards and supply port facilities.

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